

Adopted Operating Budget and Capital Improvements Program

FY 2004
City of Rockville, Maryland

Departmental Operating Budgets

Finance

Pages 119 - 126

Department of Finance

Fund Support: The Department of Finance is supported by the General and Water Facility Funds.

Description: The Department of Finance assists the departments of the City government in meeting their service objectives by acquiring goods and services, allocating the organization's available financial resources, processing financial transactions, and providing information and analysis as a basis for decision making. The department bills and/or collects the major City revenues and provides assistance to taxpayers and utility customers. The department also secures financing for capital construction and safeguards and invests City funds.

Department Mission Statement: The Department of Finance maintains the City's high standard of financial excellence by providing the citizens, employees, and vendors with professional customer service through collection and disbursement of funds, financial reporting, and management of assets.

Goals:

- Assure the effective financial management of the Town Center redevelopment activities. **TC**
- Assist in expanding the City's e-government opportunities through offering web-based utility bill payments for water, sewer, and refuse customers and investigating e-procurement opportunities. **✓**
- Maintain the City's financial health and sound financial condition.
- Develop and administer equitable revenue-raising systems to appropriately finance City services.
- Participate in efforts to protect and enhance the City's tax base.

Significant Changes: During FY 2004, staff will be completing the initial implementation of GASB 34, a significant change to the rules that govern government financial reporting. The City must implement these changes in the financial statements for the year ending June 30, 2003. The citywide expansion of the purchasing card system, begun as a pilot program in FY 2003, will occur during FY 2004. As the result of workload changes, the Purchasing Office has been reorganized, and total staffing has been reduced by 0.5 FTE. The financial complexity of the Town Center redevelopment and parking garage projects will require a re-alignment of activities within the department.

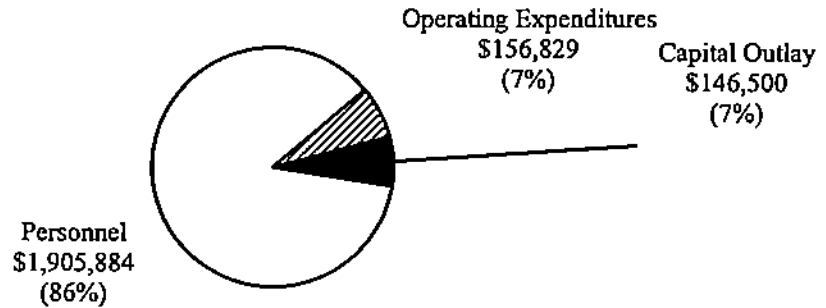
Staff Contact: Donna J. Boxer, Director of Finance (240) 314-8400.

Budget Summary:	FY 2001 Actual	FY 2002 Actual	FY 2003 Budgeted	FY 2003 Modified	FY 2004 Adopted	FY 2003-2004 Change
Financial Admin./Budget	\$411,480	\$426,869	\$428,632	\$440,063	\$441,960	0.43%
Accounting/Control	541,864	577,927	581,715	623,587	645,556	3.52%
Revenue	491,115	592,117	581,946	709,714	720,460	1.51%
Purchasing/Stockroom	<u>345,642</u>	<u>361,782</u>	<u>383,507</u>	<u>402,904</u>	<u>401,237</u>	<u>-0.41%</u>
Dept. Expenditures Total	<u>\$1,790,101</u>	<u>\$1,958,695</u>	<u>\$1,975,800</u>	<u>\$2,176,268</u>	<u>\$2,209,213</u>	<u>1.51%</u>

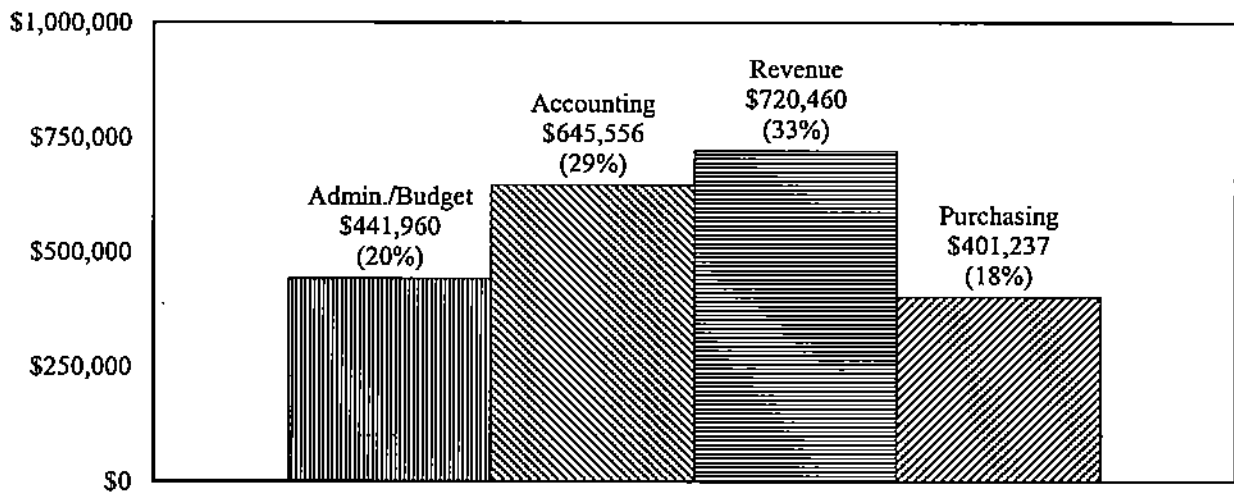
Department of Finance

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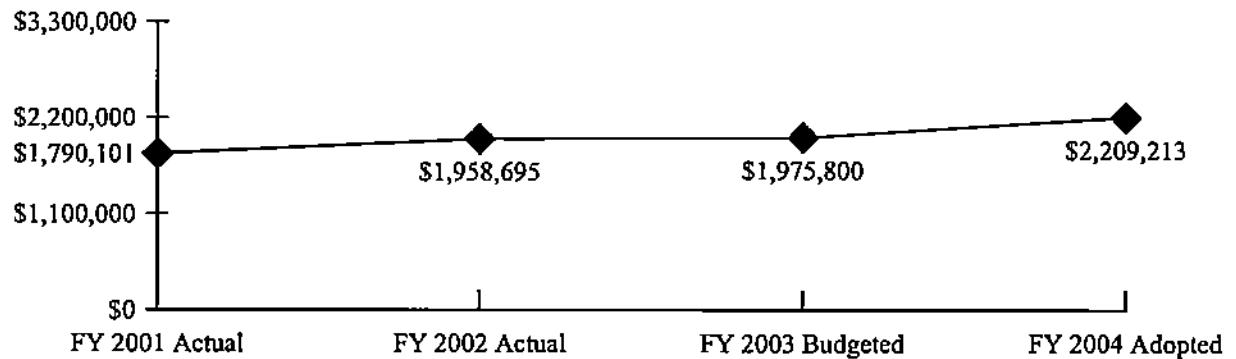
FY 2004 Budget of \$2,209,213



FY 2004 Budget by Division (total \$2,209,213)



FY 2001 - FY 2004 Expenditure History



Department of Finance

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Staffing Summary by Division:

	FY 2002 Actual		FY 2003 Revised		FY 2004 Adopted	
	Reg.	Temp.	Reg.	Temp.	Reg.	Temp.
Financial Administration and Budget	4.0	0.4	4.0	0.3	4.0	0.1
Accounting and Control	9.0	0.0	9.0	0.0	9.0	0.0
Revenue	9.0	0.0	9.0	0.0	9.0	0.0
Purchasing and Stockroom	6.0	0.0	6.0	0.0	5.5	0.0
Department Total	28.0	0.4	28.0	0.3	27.5	0.1

Staffing Summary by Position - FY 2004 Regular Position

	<u>FTE</u>		<u>FTE</u>
Financial Administration and Budget:		Revenue:	
Administrative Assistant I (1).....	1.0	Cashier (1)	1.0
Budget Management Administrator (2).....	2.0	Meter Services Supervisor (1)	1.0
Director of Finance (Contract) (1).....	1.0	Meter Services Technician (3)	3.0
		Revenue Assistant I (2).....	2.0
Accounting and Control:		Revenue Assistant II (1).....	1.0
Accountant (1).....	1.0	Revenue Supervisor (1).....	1.0
Accounting Operations Supervisor (1)	1.0		
Accounts Payable Assistant I (1).....	1.0	Purchasing and Stockroom:	
Accounts Payable Assistant II (1)	1.0	Buyer I – PT (1).....	0.5
Controller (1).....	1.0	Buyer II (1)	1.0
Financial Systems Manager (1)	1.0	Contracts Officer (1).....	1.0
Payroll Assistant I (2).....	2.0	Inventory Services Clerk (1).....	1.0
Payroll Assistant II (1)	1.0	Inventory Services Supervisor (1).....	1.0
		Purchasing Supervisor (1).....	1.0

Financial Administration and Budget

Department of Finance

Fund Support: General Fund.

Mission Statement/Description: The Financial Administration and Budget Division is responsible for developing City financial management policies and strategies. The division promotes equitable taxation systems and usage fees; maximizes the return on City investments at minimal risk; maintains banking relations; plans and executes bond sales; provides internal control oversight; prepares and monitors the annual operating budget and capital improvements program; and prepares the biannual *Long-Range Fiscal Analysis*. The Director of Finance serves as the Executive Secretary of the Retirement Board.

FY 2004 Objectives:

- Assist in the financial planning and oversight of the Town Center redevelopment and the creation of a parking district in Town Center. **TC**
- Achieve optimum credit ratings on planned General Obligation debt issues in the amount of \$19.6 million and a parking revenue debt issue in the amount of \$46.7 million.
- Monitor cash flow needs carefully to maximize interest income.
- Closely monitor impact of economic conditions on major revenue sources.
- Implement and monitor the *FY 2004 Operating Budget and the FY 2004–FY 2009 Capital Improvements Program* adopted by the Mayor and Council.
- Prepare the *FY 2005 Operating Budget and the FY 2005–FY 2010 Capital Improvements Program*.

Performance Measures:	FY 2002 Actual	FY 2003 Target	FY 2003 Actual	FY 2004 Target
<i>Outcome/Effectiveness:</i>				
Investment interest rate earned as a percent of the three-month T-bill rate	130%	105%	88%	105%
Number of consecutive years receiving GFOA Budget Presentation Award	11	12	12	13
Percent variance between actual and budgeted General Fund revenue	5.0%	1.5%	1.5% *	1.5%
Tax rate equivalent of annual debt service transfer (converted to full value rate)	\$0.07	\$0.06	\$0.05 *	\$0.05
<i>Efficiency:</i>				
General Fund expenditures per capita	\$761	\$773	\$787 *	\$773

Workload:

Number of debt issuances	2	1	1	2
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* These FY 2003 amounts are estimates; final results from operations were not available at the time the budget document went to print.

Budget Summary:	FY 2001 Actual	FY 2002 Actual	FY 2003 Budgeted	FY 2003 Modified	FY 2004 Adopted	FY 2003-2004 Change
Personnel	\$321,762	\$347,394	\$357,732	\$367,696	\$383,085	4.19%
Operating Expenditures	88,320	79,475	70,900	72,367	58,875	-18.64%
Capital Outlay	1,398	0	0	0	0	0.00%
Total Expenditures	<u>\$411,480</u>	<u>\$426,869</u>	<u>\$428,632</u>	<u>\$440,063</u>	<u>\$441,960</u>	<u>0.43%</u>

Accounting and Control

Department of Finance

Fund Support: General Fund.

Mission Statement/Description: The Accounting and Control Division provides accounting and internal control services for the City and all departments; processes accounts payable and payroll disbursements; reports the financial results of operations; and administers the dependent and health care flexible benefit plans.

FY 2004 Objectives:

- Conduct approximately 15 internal financial and operational reviews on a routine basis.
- Assist with the implementation of a purchasing card program. During the next two fiscal years the number of accounts payable checks issued will be reduced due to the utilization of purchasing cards.
- Implement GASB 34, a major change to the rules that govern governmental financial reporting.

Performance Measures:	FY 2002 Actual	FY 2003 Target	FY 2003 Actual	FY 2004 Target
<i>Outcome/Effectiveness:</i>				
Number of consecutive years receiving GFOA Certificate for Annual Financial Report	13	14	14 *	15
Number of adjusting journal entries resulting from audit	0	2	0 *	2
<i>Efficiency:</i>				
Payroll checks processed per assigned FTE	7,333	7,367	7,384	7,400
Average cost per payroll check issued	\$7.02	\$7.00	\$7.00	\$7.29
<i>Workload:</i>				
Number of manual journal entries processed	690	670	700 *	725
Number of payroll checks issued	22,000	22,100	22,150	22,200
Number of internal control reviews completed	11	15	6	10

* These amounts are estimates; final amounts were not available at the time the budget document went to print.

Budget Summary:	FY 2001 Actual	FY 2002 Actual	FY 2003 Budgeted	FY 2003 Modified	FY 2004 Adopted	FY 2003-2004 Change
Personnel	\$525,335	\$549,590	\$567,115	\$608,987	\$634,356	4.17%
Operating Expenditures	12,663	27,879	14,600	14,600	11,200	-23.29%
Capital Outlay	3,866	458	0	0	0	0.00%
Total Expenditures	<u>\$541,864</u>	<u>\$577,927</u>	<u>\$581,715</u>	<u>\$623,587</u>	<u>\$645,556</u>	<u>3.52%</u>

Revenue

Department of Finance

Fund Support: General and Water Facility Funds.

Mission Statement/Description: The Revenue Division is responsible for the receipt of all City revenues; the billing and receipt of City water, sewer, and refuse fees; the collection of City front-foot benefit and special assessment charges; and for monitoring Montgomery County's billing, collection, and distribution of City property taxes.

FY 2004 Objectives:

- Implement upgrades to the utility billing and special assessment software, including investigation of a new computer platform and on-line bill payment. \
- Implement the new Touch Read System within Falls Grove and begin upgrading old commercial meters to the Touch Read System. \
- Offer Web-based utility bill payment for the city's water, sewer, and refuse customers. \
- Develop contacts with rental property owners and managers to ensure that all properties are appropriately billed and registered with the City and relay this information to the Inspection Services Division.
- Assure that billing practices are consistent with encouraging water conservation by allowing credits for timely plumbing repairs.

Performance Measures:	FY 2002 Actual	FY 2003 Target	FY 2003 Actual	FY 2004 Target
<i>Outcome/Effectiveness:</i>				
Percent of accounts paid within deadline:				
▪ Water/sewer and refuse (disconnection)	99.2%	99.2%	99.3%	99.2%
▪ Special assessments (tax lien at end of calendar year)	86.0%	86.0%	91.0%	90.0%
Percent of disconnected accounts restored within three business days	85.0%	85.0%	76.9%	85.0%
Percent of citizens rating utility billing (water, sewer and refuse) services as excellent or good	NA	NA	71.0%	75.0%
<i>Efficiency:</i>				
Average utility dollars collected per FTE (in millions)	\$2.7	\$2.8	\$2.9	\$3.0
Meter reads per FTE	12,704	12,730	12,959	13,150
<i>Workload:</i>				
Number of bills issued:				
▪ Water/sewer and refuse	67,532	68,000	69,489	70,000
▪ Special assessments	117	115	89	80
Number of delinquent accounts billed	10,923	11,000	11,234	11,500

Budget Summary:	FY 2001 Actual	FY 2002 Actual	FY 2003 Budgeted	FY 2003 Modified	FY 2004 Adopted	FY 2003-2004 Change
Personnel	\$390,133	\$428,478	\$442,603	\$465,646	\$496,441	6.61%
Operating Expenditures	67,764	61,033	78,843	78,843	77,519	-1.68%
Capital Outlay	<u>33,218</u>	<u>102,606</u>	<u>60,500</u>	<u>165,225</u>	<u>146,500</u>	-11.33%
Total Expenditures	<u>\$491,115</u>	<u>\$592,117</u>	<u>\$581,946</u>	<u>\$709,714</u>	<u>\$720,460</u>	<u>1.51%</u>

Purchasing and Stockroom

Department of Finance

Fund Support: General Fund.

Mission Statement/Description: The Purchasing and Stockroom Division is responsible for the timely and cost-effective acquisition of goods and services for the City, the storage of goods for future needs, and the disposal of excess goods. The division strives to provide needed goods and services to departments, when required, at an acceptable level of quality and at the lowest total cost of operations.

FY 2004 Objectives:

- Expand the purchasing card program and investigate e-government opportunities.
- Conduct training courses for user departments on the amended purchasing code and purchasing processes.
- Increase the use of cooperative procurement contracts to obtain volume discounts for goods and services.
- Network with and encourage participation by local, small, and minority businesses in the City's procurement process.

Performance Measures:	FY 2002 Actual	FY 2003 Target	FY 2003 Actual	FY 2004 Target
<i>Outcome/Effectiveness:</i>				
Percent of awards made without protest	96%	99%	100%	99%
Percent of protests sustained ⁽¹⁾	100%	100%	0%	50%
Average number of bids per solicitation over \$15,000	6	5	5	6
Percent of error between actual and system inventory	0.06%	0.04%	0.012%	0.06%
Dollar value of inventory written off as obsolete at year end	\$1,600	\$5,000	\$3,928	\$5,000
<i>Efficiency:</i>				
Number of purchase orders per assigned FTE	118	135	124	130
Dollar amount of inventory per assigned FTE	\$148,891	\$130,031	\$147,216	\$150,000
<i>Workload:</i>				
Number of solicitations over \$15,000	41	60	45	60
Number of RFPs issued	9	20	15	20
Number of purchase orders issued	473	500	494	500
Dollar amount of inventory stored	\$297,782	\$260,062	\$294,000	\$300,000

⁽¹⁾ FY 2002 Actual reflects a total of 48 bids; 2 protests; 2 sustained.

Budget Summary:	FY 2001 Actual	FY 2002 Actual	FY 2003 Budgeted	FY 2003 Modified	FY 2004 Adopted	FY 2003-2004 Change
Personnel	\$339,668	\$355,846	\$371,432	\$390,829	\$392,002	0.30%
Operating Expenditures	5,974	5,513	12,075	12,075	9,235	-23.52%
Capital Outlay	0	423	0	0	0	0.00%
Total Expenditures	<u>\$345,642</u>	<u>\$361,782</u>	<u>\$383,507</u>	<u>\$402,904</u>	<u>\$401,237</u>	<u>-0.41%</u>

